

## Federal Retirement Thrift Investment Board

## § 1655.2

abuse of a child, whether or not that abuse is accompanied by other actionable wrongdoing, such as sexual exploitation or gross negligence.

### § 1653.22 Purpose.

Under 5 U.S.C. 8437(e)(3) and 8467(a)(2), the TSP will honor a court order or other similar process in the nature of a garnishment that is brought to enforce a judgment against a participant for physically, sexually, or emotionally abusing a child.

### § 1653.23 Processing and payment.

To the maximum extent consistent with sections 8437(e)(3) and 8467(a)(2), child abuse court orders will be processed by the TSP under the procedures described in subparts A and B of this part.

## PART 1655—LOAN PROGRAM

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AUTHORITY: 5 U.S.C. 8432d, 8433(g), 8439(a)(3) and 8474.

SOURCE: 68 FR 35515, June 13, 2003, unless otherwise noted.

### § 1655.1 Definitions.

(a) Definitions generally applicable to the Thrift Savings Plan are set forth at 5 CFR 1690.1.

(b) As used in this part:

*Amortization means* the reduction in a loan by periodic payments of principal and interest according to a schedule of payments.

*Date of application means* the day on which the TSP record keeper receives the loan application, either electronically or on the TSP Web site or on a paper TSP form.

*General purpose loan means* any TSP loan other than a loan for the purchase or construction of a primary residence.

*Guaranteed funds means* a cashier's check, money order, certified check (i.e., a check certified by the financial institution on which it is drawn), cashier's draft, or treasurer's check from a credit union.

*Loan issue date means* the date on which the TSP record keeper disburses funds from the participant's account for the loan amount.

*Loan repayment period means* the time over which payments that are required to repay a loan in full are scheduled.

*Principal or principal amount means* the amount borrowed by a participant from his or her individual account, or, after reamortization, the amount financed.

*Reamortization means* the recalculation of periodic payments of principal and interest.

*Residential loan means* a TSP loan for the purchase or construction of a primary residence.

*Taxable distribution means* the amount of outstanding principal and interest on a loan which must be reported to the Internal Revenue Service as taxable income as a result of the failure of a participant to repay a loan in full, according to the terms of the loan agreement.

[68 FR 35515, June 13, 2003, as amended at 70 FR 32217, June 1, 2005]

### § 1655.2 Eligibility for loans.

A participant can apply for a TSP general purpose or residential loan if:

(a) More than 60 calendar days have elapsed since the participant has repaid in full a TSP loan of the same type.

(b) The participant is in pay status;

(c) The participant is eligible to contribute to the TSP (or would be eligible to contribute but for the suspension of the participant's contributions because he or she obtained a financial hardship in-service withdrawal);